



First Steps Cost Participation Procedures

ADMINISTERING ENTITY

The Division of Disability and Rehabilitative Services has established procedures to implement the First Steps early intervention system cost participation plan. The intake/ongoing service coordinator is responsible for the implementation of the Individualized Family Service Plan (IFSP) and verification of family income.

INTAKE COORDINATOR RESPONSIBILITIES

During the intake process, the intake coordinator will:

- Explain the parent's rights and responsibilities within the First Steps system
- Collect income and insurance information from the family
- Complete the Combined Enrollment Form, Private Medical Insurance Supplement, and Private Medical Insurance Consent and documentation of family medical and personal care needs expenses on the Financial Deduction Worksheet as defined by First Steps
- Once eligibility has been established, review the First Steps cost participation component, insurance billing, and the cost participation rate schedule (Attachment A) with the family
- Verify the family's co-payment and maximum monthly payment as calculated by the System Point of Entry (SPOE) and obtain the parent's signature acknowledging responsibility of First Steps financial obligations
- Maintain completed Combined Enrollment Form, cost participation forms, and supporting documentation in the child's early intervention record located at the SPOE

SERVICE COORDINATOR RESPONSIBILITIES

The service coordinator will:

- Explain the parent's rights and responsibilities within the First Steps system
- Collect income and insurance information from the family
- Verify family income and insurance information annually
- Within 30 days of a family's request, review the family's income, family size, and/or medical and personal care needs expenses, complete corresponding cost participation forms, and submit all documentation to the SPOE within two (2) business days
- Complete the Family Information Update form within thirty (30) days after a reported family change (ex. address change, change in private insurance carrier) and submit all documentation to the SPOE within two (2) business days
- Maintain all forms associated with cost participation activities in the child's early intervention record located at the SPOE
- At minimum, quarterly review and discussion with family regarding cost participation and insurance utilization

SYSTEM POINT OF ENTRY (SPOE) RESPONSIBILITIES	<p>The System Point of Entry (SPOE) will:</p> <ul style="list-style-type: none"> • Data enter all financial and insurance information for the purpose of cost participation and access to insurance • Document the co-payment and maximum monthly payment as calculated by the SPOE computer • Provide the intake coordinator or service coordinator with a computer-generated verification of a family's co-payment and maximum monthly payment within seven (7) days from receipt of completed cost participation forms • Maintain all completed forms with supporting documentation of income, insurance, and expenses in the child's electronic record and early intervention record located at the SPOE
CENTRAL REIMBURSEMENT OFFICE (CRO) RESPONSIBILITIES	<p>The Central Reimbursement Office (CRO) will:</p> <ul style="list-style-type: none"> • Calculate the monthly cost of services for each family based on services provided • Mail the Cost Participation Family Statement outlining the services provided, insurance plan benefit applied to the account, and family cost share (First Steps co-payment) information • Process all revenue received through cost participation • Calculate and track payments received and due • Report to the lead agency as required • Prepare and forward First Steps claims to TPL/private insurance carriers
GROSS INCOME DETERMINATION	<p>Families must provide the intake coordinator or service coordinator verification of income using the following methodology:</p> <ul style="list-style-type: none"> • Check stubs from the three (3) most recent consecutive pay periods • If recent pay stubs are not available, or in instances when income cannot be accurately assessed by the last three pay stubs (ex. self employed, seasonal employment, farm income, or supplemental income) the family must provide the most recently filed 1040 Federal Income Tax form, W-2/1099, or a written statement signed by the employer regarding salary/wages if a statement would accurately account for the income (refer to Combined Enrollment Form instructions for further detail related to income) • Income verification must be maintained in the child's early intervention record • All income information must be verified annually or within thirty (30) days after the family reports a reduction in income or change in family size
FAMILY SIZE	<p>The number of family members (family size) to be considered in cost participation determination is established by counting the dependent child, the child's parent(s) and child's siblings with whom the dependent child lives. All natural, adoptive, or half-siblings who meet the definition of dependent child must be included in the family group. The income rules require the consideration of the income of the dependent child, the dependent child's siblings and dependent child's parents.</p> <p>If a dependent child's step-parent is in the home, the family size would exclude the step-parent from the family member count and his/her income from the cost participation determination as step-parents are not considered legally responsible for their step-children in Indiana.</p> <p>A caretaker relative is a relative, either by blood or by law, who lives with the child and exercises parental responsibility (care and control) in the absence of the child's parent. Examples include but are not limited to: grandparents, aunts, uncles, cousins, stepparents and adult siblings.</p>

FAMILY SIZE (CONTINUED)	<p>If the caretaker is a relative and not the parent such as an aunt or grandparent, the income of this relative is not considered since First Steps services are services to the child even though the relative may be receiving training/counseling to address the needs of the child.</p> <p>A dependent child who does not live with a relative is considered a family of one and would not be considered for cost participation within the First Steps system.</p> <p>Family size along with family income will be utilized when determining the family's Federal Poverty Level.</p>
CONFIRMATION OF INCOME LEVEL	<p>Confirmation of level of income and percent of poverty level will be calculated at the SPOE by data entry of the family's income and family members. This calculation will be based on the annually published Federal Poverty Level guidelines and cost participation schedule of costs (Attachment A), as well as a family's documented medical personal care needs expenses.</p>
DETERMINATION OF FIRST STEPS CO-PAYMENT	<p>The SPOE computer will determine First Steps co-payment. Families will accept financial responsibility by signing the cost participation statement on the IFSP service page.</p> <p>Co-payment amounts will remain in effect for twelve (12) months (coinciding with the IFSP date) unless the family requests a review of the financial information and a change in co-payment is determined.</p> <p>The Federal Poverty Level guidelines and schedule of costs (Attachment A) will be utilized in calculating the co-payment. The calculation takes into consideration:</p> <ul style="list-style-type: none"> • The family's gross income • The family size • The family's documented medical personal care needs expenses <p>Families at or below 250% of the federal poverty level (FPL) are exempt from co-payment. Therefore, families that meet this "inability to pay" will not be charged for any early intervention services provided to the child and family pursuant to the child's IFSP.</p> <p>Incomes calculated at or above 251% of the FPL have corresponding co-payments (Attachment A). Families who refuse to provide financial information and verification for the determination of the co-payment amount will be assessed at a full fee co-pay option and will place the co-payment at the maximum monthly cost share up to but not exceeding the actual cost of service.</p> <p>The Division may waive a required co-payment if other medical expenses or personal care needs expenses, for a member of the family, reduce the level of income the family has available to pay co-payments. The Division must recalculate the family's monthly co-payments in any month to waive those individual services for which it receives payment from the family's health insurance coverage.</p> <p>Families who disagree with the calculation of the co-payment may request an administrative review to be conducted by the Division.</p>

MEDICAL AND PERSONAL CARE NEEDS EXPENSES	<p>A family may request medical and personal care needs expenses be considered in the calculation of the family income and cost share (First Steps co-payment) amount. Appropriate deductions are those that are:</p> <ul style="list-style-type: none"> • To support the health or medical needs of a family member • Out-of-pocket expenses for which the family will not be reimbursed • Incurred within the past twelve (12) months • Supported by written receipt • Within the definition of either medical expenses or personal care needs expenses <p>If families experience a change in medical or personal care needs expenses or have other extenuating circumstances, they may request a re-evaluation of their income or co-payment.</p>
UTILIZATION OF INSURANCE	<p>The family must provide health care insurance coverage information for the infant or toddler receiving services, allowing consent for First Steps to bill private insurance for the services received. If the family declines to consent to First Steps billing their insurance provider, the family may choose either the maximum co-payment per treatment, up to actual cost of treatment, or to access only those services required by federal regulation (303 C.F.R. § 303.521), to be provided with no fees assessed (see below).</p> <p>While First Steps will submit claims for eligible First Steps services to the family's insurance carrier, the state cannot guarantee payment from a carrier. Coverage is dependent on the insurance plan and will take into consideration the service type, child's diagnosis, and provider. Therefore, it is relatively rare for insurance to cover First Steps services. Families should not base their decisions on the assumption that they will not be responsible for payment of their calculated co-pay.</p> <p>Reimbursements made by certain types of health care insurance plans shall not be applied to any annual or aggregate lifetime limitations of coverage, pursuant to Indiana law (IC §§ 5-10-8-7.3, 20-12-3.2, and 27-8-27). Those types are: State of Indiana group health coverage; state educational institution employee health plan; and those plans that are non-ERISA insurance plans, regulated by Title 27 of the Indiana Code. The Employment Retirement Income Security Act (ERISA) health plans are not protected by the lifetime and aggregate limitations legislation.</p> <p>If a family is covered by an ERISA plan and demonstrates that billing its insurance plan would create a financial hardship (for instance, if it would put the family in jeopardy of exceeding the plan's lifetime cap) they may request a waiver, within thirty (30) days of the date of service. Requests should be mailed to: First Steps, Medical Insurance Utilization Review, Attn: Part C Coordinator, 402 W. Washington St., W 386, MS02, Indianapolis, IN 46204. Further, it is the responsibility of the family to determine, via their employer, or insurance plan, whether or not they are covered by an ERISA policy, in order to determine how consent to access insurance, may affect the family. If the family does not request a waiver, First Steps will assume it will not create a hardship if insurance is billed.</p>

**ASSESSMENT OF
CO-PAYMENT**

Co-payments are based on IFSP services provided to the child and family. The family will be billed the co-payment amount or actual service cost, the lesser of the two, up to the maximum monthly cost.

- Co-payments may not be charged for the following services:
 1. Child Find
 2. Evaluation and Assessment
 3. Development of an Individualized Family Service Plan
 4. Service Coordination
 5. Review of IFSP
 6. Procedural Safeguards
- Services eligible for a co-payment are:
 1. Audiology Services
 2. Developmental Therapy or Special Instruction
 3. Health Services
 4. Nursing Services
 5. Nutrition Services
 6. Occupational Therapy
 7. Physical Therapy
 8. Psychological Services
 9. Social Work Services
 10. Speech and Language Therapy
 11. Vision Services
 12. Other early intervention services
- Assistive technology, interpreter services, and transportation are excluded from cost participation co-payments.

For any individual service for which First Steps receives insurance payment, the co-payment will be removed, resulting in a recalculation of the maximum monthly cost.

BILLING PROCESS	<p>The Central Reimbursement Office (CRO) is responsible to notify the parents of the cost share (co-payment) amount due and to collect all revenue generated by this process.</p> <p>A Family Cost Participation Statement will be mailed to families. It will include the co-payment and any arrearage or payments due. All payments must be made directly to the CRO billing agent within thirty (30) days of receipt. The statement details the services the child has received, provider billing, and payment information. Due to the billing process for providers, the CRO must wait a minimum of 60 days prior to generating an accurate First Steps statement to send to families. Based on insurance billing trends, families should not expect insurance recoveries or denials to be provided prior to 120 days of the date of the service.</p>
COST PARTICIPATION PAYMENTS	<p>The following timeline will be implemented for payment of services:</p> <ul style="list-style-type: none"> • A family will have thirty (30) days to pay their co-payment upon receipt of the Family Cost Participation Statement. Payment should not be delayed in anticipation of potential insurance recovery. • Each month, the Family Cost Participation Statement will include the total amount due. If the prior month's payment is not received prior to the generation of the current month's form, the receipt of payment may not be included on the form. The parent will not be considered past due in payment. • After ninety (90) days, the CRO may submit the default information to the Division who may act to collect the past due amount.
COST PARTICIPATION ADMINISTRATIVE REVIEW	<p>A family has the right to dispute any collection procedure or oppose their placement in the cost participation co-payment plan. If a family disagrees with any action or decision regarding the cost participation program, they may request reconsideration by the Division. The request for a review is to be submitted in writing and must state the specific reason the co-payment should be reconsidered. Mail the request to: First Steps, Cost Participation Administrative Review, Attn: Part C Coordinator, 402 W. Washington St, W 386 MS02, Indianapolis, IN 46204.</p>
DEFINITIONS	<p>Ability to pay - the financial capacity that a family has to pay for services</p> <p>Administering Entity - the Division of Disability and Rehabilitative Services (DDRS) is responsible for the general administration and supervision of the Cost Participation Program</p> <p>Administrative Review – requested in writing by a family; the Division of Disability and Rehabilitative Services will review the financial circumstances involved in determining a family's ability to pay</p> <p>Annual Gross Income - a family's annual income minus any family medical and/or personal care needs expenses</p> <p>Arrearage - the total co-payment amount past due</p> <p>Caretaker Relative - a relative, either by blood or by law, who lives with the child and exercises parental responsibility (care and control) in the absence of the child's parent (grandparents, aunts, uncles, cousins, step-parents, and adult siblings)</p> <p>Central Reimbursement Office - the agency responsible for billing and collecting the cost share (First Steps co-payment) from the family</p>

DEFINITIONS
(CONTINUED)

Co-payment amount - a fee based on a family's gross income and family size less deductions for non-reimbursed, approved medical and personal care needs expenses for any family member; the dollar amount per treatment that a family is charged monthly

Cost Participation Plan - fees for early intervention services based on income and family size

Extenuating Circumstances - situations or circumstances that are unusual or out of the ordinary that would allow a family to be given special consideration

Failure to Pay - a family neglects to pay the co-payment due

Family Cost Participation Statement - billing information sent to the family detailing services received, co-payments due, and payments received

Full Fee Co-payment Option - a family chooses not to disclose or verify income and the maximum monthly co-payment fee is assessed

Income - the family's annual gross income relevant to the size of the household after allowable, medical and personal care needs expenses have been subtracted

Income Chart - the cost participation rate schedule used to determine a family's percent of poverty level

Maximum Monthly Cost Share Amount - the maximum amount a family may be billed in a one (1) month period

Medical Expenses - out-of-pocket medical expenses for which the family will not be reimbursed in the previous twelve (12) month period that relate to the health or medical needs of a family member

Percentage of Federal Poverty Level - determined by a family's income and size

Personal Care Needs Expenses - out-of-pocket expenses for which the family will not be reimbursed in the previous twelve (12) month period that relate to the health or medical needs of a family member

Procedural Safeguards - legal protections available to children and their parents to protect their rights in dealing with agencies and providers of early intervention services; legal protections include: parental consent, protection in evaluation procedures, opportunity for parents to examine, correct and supplement records, prior notice provisions, surrogate parent identification when necessary, due process procedures and confidentiality of records

Service – a single session delivered by a provider; (e.g. a co-treatment would constitute a single session provided by 2 different disciplines and would, therefore, be considered 2 *services*; physical therapy delivered 4 times during a month would be considered 4 sessions, thus 4 *services*)

Significant Change in Circumstances - a change that influences or has an effect on the child/family's circumstances during the year of services that could result in a reevaluation of the co-payment amount

Waiver – a requested exemption for utilization of a family's insurance and/or co-payment due to extenuating circumstances. A family may submit this request with the assistance of their service coordinator.

ATTACHMENT A

FIRST STEPS COST PARTICIPATION SCHEDULE OF COSTS

<u>Annual</u> Income based on 2008 Federal Poverty Level (FPL) Guidelines and Percent of FPL for First Steps Program Participation								
Family Size	251% FPL	351% FPL	451% FPL	551% FPL	651% FPL	751% FPL	851% FPL	1001% FPL
1	\$26,104	\$36,504	\$46,904	\$57,304	\$67,704	\$78,104	\$88,504	\$104,104
2	\$35,140	\$49,140	\$63,140	\$77,140	\$91,140	105,140	\$119,140	\$140,140
3	\$44,176	\$61,776	\$79,376	\$96,976	\$114,576	\$132,176	\$149,776	\$176,176
4	\$53,212	\$74,412	\$95,612	\$116,812	\$138,012	\$159,212	\$180,412	\$212,212
5	\$62,248	\$87,048	\$111,848	\$136,648	\$161,448	\$186,248	\$211,048	\$248,248
6	\$71,284	\$99,684	\$136,648	\$156,484	\$184,884	\$213,284	\$241,684	\$284,284
7	\$80,320	\$112,320	\$156,484	\$176,320	\$208,320	\$240,320	\$272,320	\$320,320